

Proposal to Provide

**Chief Executive Officer  
Performance Review**

Presented to  
**Northern Areas Council**

**Commercial in confidence**

*McArthur*  
Best People Fit



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# Executive Summary

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This submission is in response to your request for a proposal to conduct the CEO's Performance Review.

M<sup>c</sup>Arthur use the SALMAC<sup>©</sup> Performance Appraisal System. Salmac, developed specifically for Local Government, will integrate seamlessly with Council's current process framework and allow the construction of a comprehensive range of clear and practical performance criteria.

As required, M<sup>c</sup>Arthur will facilitate a general discussion to define position boundaries and objectives of the positions which will be reviewed with the CEO Performance Review Panel/Council for the CEO.

The relevant parties will have the opportunity to comment on the performance, via a single scale rated survey document. The facilitator will develop the survey documentation, provide an independent and confidential contact point, summarise these responses for Council, CEO Performance Review Panel (if there is one) and CEO and assist with establish the final rating and comments.

A questionnaire will be sent electronically to all participants however, the option to have structured one-on-one interviews with the Consultant or to complete a written questionnaire will be available, if required. In addition the Consultant will be personally available to assist all respondents throughout the process.

Finally, our Consultant will submit the final report to the CEO Performance Review Panel/Council and CEO for review and will facilitate the feedback discussion with the CEO, if required.

This submission discusses the SALMAC<sup>©</sup> System, its benefits and costs and provides details of the relevant capabilities and experience of M<sup>c</sup>Arthur.

As a leading provider in Performance Management, M<sup>c</sup>Arthur Talent Team is delighted to submit our proposal and look forward to demonstrating how we would support Council in the CEO Performance Review. Should you have any enquiries with respect to our submission, please do not hesitate to

**Contact:** Rebecca Hunt, Manager HR Consulting - South Australia **Telephone:** 08 8100 7000

**Email:** rebecca.hunt@mcArthur.com.au

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# M<sup>c</sup>Arthur Profile

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M<sup>c</sup>Arthur is a specialist provider of Executive Recruitment, temporary employment services and related human resource management consultancies to both the public and private sectors. Established in 1969, M<sup>c</sup>Arthur now boasts a 43 year history of success and commercial longevity. With offices in Adelaide, Brisbane, Canberra, Melbourne and Sydney, M<sup>c</sup>Arthur provides the following range of services to clients nationally:

- Executive Search and Selection
- Executive / Professional Staff Contracting
- Permanent Recruitment
- Temporary Staff Supply
- Outplacement
- Executive / Leadership Team Development
- **Management / Human Resource Consulting**
  - **Performance reviews**
  - **Organisation reviews**
  - **Culture Surveys**
  - **Skills audit/analysis**
  - **Strategic and business planning**
  - **Psychological testing/appraisal**
  - **Human resource developments**
  - **Salary surveys and remuneration advice**
  - **Outsourced Generalist HR Service**

Employing local recruitment professionals in each state, M<sup>c</sup>Arthur has developed a nationally consistent recruitment methodology which is controlled through Quality Assured procedures. M<sup>c</sup>Arthur directly employ more than 100 management, recruitment and administration staff across Australia.

The M<sup>c</sup>Arthur commitment to excellence has resulted in the company enjoying a marketplace reputation for competence and professionalism. Our client portfolio numbers are in excess of 4,000 and include a wide variety of public and private sector organisations and a broad cross section of the sectors in which they operate. An impressive number of clients of M<sup>c</sup>Arthur represent relationships of fifteen years and more.

Initially, the principal thrust of the business was towards the development of dominance in temporary staffing services in specialist markets, whilst vigorously pursuing recruiting activities on behalf of clients. Today, M<sup>c</sup>Arthur continues with these core activities, but over the last 20 years, clients have benefited from the introduction of Human Resource Development services embracing Outsourced Generalist HR Services, Leadership Development, Performance Management, Organisation Reviews, Strategic Planning and Training Programs as well as general advice and support.

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# Relationship Management & Service Delivery

With all clients we insist on providing a professional and quality assured approach to relationship management, as we believe that this is integral to fully understanding each other's:

- culture
- expectations
- operational environment
- strategic direction

Once we have gained an understanding of each of the above we will work in partnership with the Council to ensure that our service delivery is closely aligned to Council's business objectives, vision, values and strategic directions. We believe that a true partnering arrangement is the most effective means of ensuring a responsive, constructive and collaborative business relationship which enables our Consultants to work closely with all stakeholders throughout the entire process.

To ensure efficient, effective and quality assured service delivery M<sup>c</sup>Arthur will manage our relationship through a structured team approach, which provides an initial point of contact for all services. Our team approach also ensures the constant availability of a Consultant to receive enquiries and requests.

We recognise the profile and significance of this Performance Review and the importance of the Chief Executive's position in the achievement of Council's vision, mission and strategic objectives. Therefore, to ensure the quality of our service delivery through the Performance Review, M<sup>c</sup>Arthur has appointed a dedicated Consultant to guarantee a smooth process and successful completion of this review.

The Consultant appointed to this assignment will be Rebecca Hunt – **Manager HR Consulting**.

Rebecca will manage and facilitate the Performance Review and support the Council through the process to a successful outcome.

Her profile outlining her experience is contained in **Attachment A**.

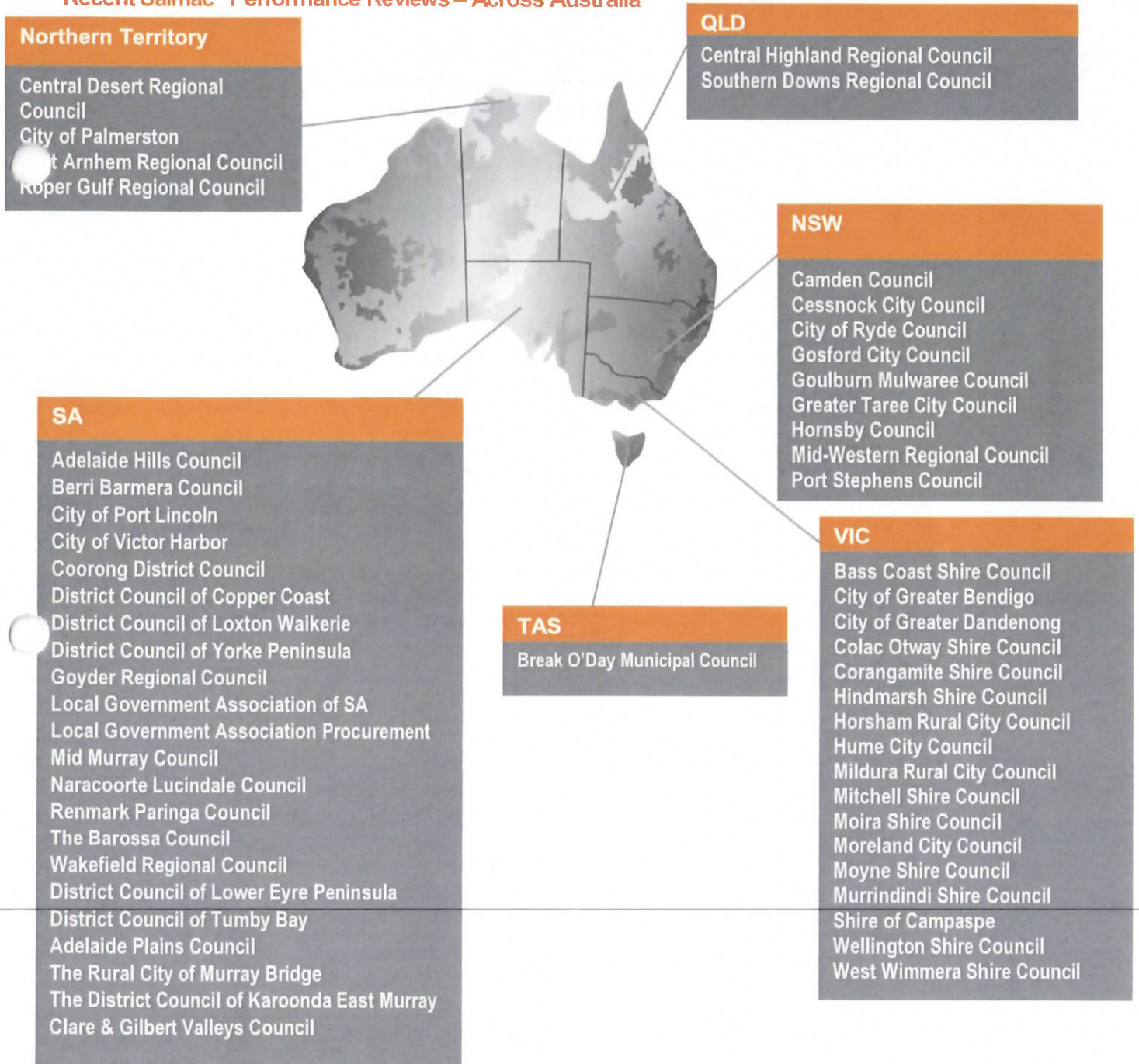
# Relevant Experience

M<sup>c</sup>Arthur is extensively involved in facilitating performance reviews and assisting clients develop and implement structured performance management systems within their organisations.

Since its introduction in 1993, the Salmac<sup>®</sup> Performance Management System has enjoyed great success in Australian Councils, with over 100 Councils in Northern Territory, Queensland, New South Wales, Victoria, Tasmania and South Australia utilising it to evaluate performance.

Recently we have been appointed to undertake performance reviews of Chief Executive Officers and second level executive positions within the following Councils.

## Recent Salmac<sup>®</sup> Performance Reviews – Across Australia



# Methodology

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The Salmac© approach to performance management provides a rigorous yet appropriate model for monitoring and measuring performance at this level. The model has been developed and successfully introduced into a large number of Councils Australia-wide.

## Methodology - The M<sup>c</sup>Arthur Salmac<sup>©</sup> System

Specifically the M<sup>c</sup>Arthur process involves the following steps:

### 1. Creation of the documentation established for the review

We have found performance management to be most effective when two dimensions of performance are measured; the outcomes that need to be achieved; and the leadership behaviours we expect to be demonstrated while the agreed outcomes are met.

The first dimension covers the specific goals (outcomes) set for the period for which the Chief Executive Officer is the prime driver. These are typically big ticket items reflected in the Council Strategic and Business Plans or outcomes that must be achieved in dealing with major issues facing Council at the time. These are the KPI's that were agreed following the CEO's previous performance review.

The second dimension captures a set of leadership behaviours. These are Key Result Area's and are linked to the CEO Job and Personal Specification and/or outlined in the CEO's contract.

### 2. Facilitating the Review of the Chief Executive Officer

Once the Council has decided who will be involved in the performance evaluation of the Chief Executive Officer we will work closely with that group to prepare for, and conduct, the performance review. Typically this requires the following activities:

- The Chief Executive Officer will provide a self-assessment against the agreed criteria using the agreed rating system. The CEO can also, if required, deliver a presentation / progress report to participants prior to the review.
- The Council Members independently and individually rate the performance of the Chief Executive Officer in a questionnaire either in a one on one interview, electronically or in hard copy.
- In a 360 degree review participants will include Council Members, Direct Reports and External Stakeholders (if required).
- The Consultant prepares a report based on consolidating all the information provided by the Chief Executive Officer, Council Members, the CEO's Direct Reports and External Stakeholders (if required).
- The M<sup>c</sup>Arthur Consultant will communicate with Council to discuss this appraisal prior to inviting the Chief Executive Officer to join the discussion.
- Following the above questionnaires, the Consultant produces a draft Performance Review Report which captures the outcomes of the process. This report can also capture KPI's, goals or objectives recommended during the review for the next review period (if any are recommended), both from an organisational perspective as well as in terms of personal and professional development.
- The draft report is sent to the CEO Performance Review Panel/Council for checking.
- A final report is produced to Council for adoption, which becomes the official record of the review.
- As part of our process, we can also provide confidential advice and recommendations to Council on comparative benchmarked remuneration packages.

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## Consultant Commitment

To clarify the range of activities which are incorporated in our service delivery for the Salmac© Performance Management System, our commitment will involve working with Council and the Chief Executive Officer to:

- Use the provided set of relevant behavioural accountabilities that focus on those characteristics which an effective Chief Executive Officer will and should demonstrate.
- Use the provided agreed strategic targets for the period under review.
- With Council and the Chief Executive Officer, facilitate the actual appraisal process.
- Produce a Summary Review Report which covers the outcomes of the appraisal process.
- Produce a Benchmarked Remuneration Report (if required).

## The benefits are clear:

- An independent and experienced HR Consultant enables an impartial review to be conducted and reported on.
- A consistency in the performance evaluation process we can benchmark year on year and provide exact comparable data.
- A clear emphasis on continuous improvement.
- Openness in the system which encourages employee support.
- Improved ongoing relationships between all stakeholders.
- A basis for recognition and reward clearly established.
- Corrective actions for areas of identified concern.
- The ability to weight KPI, strategic objectives and/or raters to better define performance.
- High standards for future reviews.
- A fully documented process and sign off that establishes legality and official record.

The SALMAC© System delivers organisational effectiveness through strong and structured performance management.



## Options - Price

The SALMAC© process establishes clear and specific outcomes for the CEO role and sets not only an appraisal framework but also a framework that supports the performance review. Salmac does this within the legal frameworks set by their Position Description, the Contract of Employment and Council's Strategic direction. Further the Salmac process is supported by a professional Consultant, whose role is to support and guide Council, ensure equity in the process, provide advice and assistance on performance improvement strategies.

	Option 1	Option 2
<b>Review Type</b>	CEO 360 Degree Performance Review – 2 year agreement	CEO 360 Degree Performance Review – 2 year agreement
<b>Participants</b>	CEO and Council Members, Direct Reports/Senior Team Members	CEO and Council Members, Direct Reports/Senior Team Members and External Stakeholders
<b>Review conduct</b>	Face to face interview or Emailed/posted questionnaire	Face to face interview or Emailed/posted questionnaire
<b>Fixed Fee excluding GST</b>	<b>\$3,650 per year*</b>	<b>\$3,950 per year*</b>

### Notes:

1. Fee structure is GST exclusive.
2. Exclusive of a statutory per KM rate for travel.

### Schedule of milestone payments

- 50% – Due at the time M<sup>c</sup>Arthur is retained for the specific assignment
- 50% – Due on acceptance of Final Report

Our proposed fees are valid for a period of three months from 5<sup>th</sup> December 2016.

## Referees

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To establish M<sup>c</sup>Arthur's credibility, we recommend that you contact any of the following referees who will testify with respect to our capacity and capability in delivering the services required by Council.

Contact Name	Services Provided	Organisation	Telephone
Mayor Neville Jaensch	CEO Performance Review	Coorong District Council	0409 900 249
Mayor Neil Martinson	CEO Performance Review	Renmark Paringa Council	0427 951 369
Mayor Leon Stasinowsky	CEO Performance Review	District Council of Loxton Waikerie	0428 897 028

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**ATTACHMENT A**  
**CONSULTANT PROFILE**

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## Rebecca Hunt – BA Hons - MAHRI

Prior to joining M<sup>c</sup>Arthur Rebecca was a People Consultant in a Big 4 Professional Services Firm, she has also worked in State Government and locally and interstate for a Global Commercial Firm.

Rebecca brings international knowledge with extensive experience in the UK and USA providing a unique depth of experience and more recently has been working locally with all levels of Government and commercial clients. Rebecca specialises in advising in Talent Management, Performance Reviews, Cultural, Remuneration and Structural Reviews, Psychometric Testing and Generalist Human Resources.

Since joining M<sup>c</sup>Arthur, Rebecca has provided extensive HR Consulting expertise across the Local Government sector, servicing regional, rural and metropolitan Councils.

Rebecca's astute business acumen, exceptional communication and organisation skills, and wealth of experience ensure clients are provided with a holistic, high quality and comprehensive service. Rebecca is passionate about creating lasting relationships with clients, based on integrity, effective tailoring of service to clients' needs/requirements and ingrained best practice approach.